(e) Various initiatives have been taken from time to time for the revival of smaller stock exchanges. These include setting up of Inter-Connected Stock Exchange of India, permitting stock exchanges to float broking subsidiaries and introducing a new segment call "BSE INDO*NEXT*" for the trading of securities of small and medium enterprises.

Further, the light of the recent corporatisation and demutualisation intiative, SEBI has constituted a committee to study , *inter alia*, the future of regional stock exchanges- post demutualisation.

Bogus share applications in public issues

1520. SHRI YASHWANT SINHA:
SHRI BALAVANT *ALIAS* BAL APTE:
SHRI KRIPAL PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether SEBI, RBI, NSDL, CDSL could not find out the benami bogus share applications in Public Issue for more than one year;

(b) whether it is a fact that Investors' Associations and others have expressed fear that more than 3 lakh bogus, benami applications and allotments have taken place during 2005;

(c) whether it is a fact that NSDL have given data of Rupalben Panchal and others in 2005 to SEBI;

(d) whether Government have ordered criminal action against the guilty; and

(e) whether the views of Government regarding more than 3 lakh bogus applications in IPOs and more than 3 crore Small Investors' share quota siphoning?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL) : (a) Under the extant regulatory framework, the transactions are not approved by regulators, though they have put in systems to reduce the scope for irregular transactions. Hence the irregular transactions do not come to the notice of the regulators at the time of transaction. However, the regulators investigate the transactions if they notice any irregularity or receive information about any irregularity from market intelligence. As soon as SEBI received some information regarding irregularities in the Yes Bank initial public offering, it undertook investigation and noticed the irregularity.

(b) Communications have been received by SEBI from some investor groups to the effect that more than 3 lakh bogus benami applications and allotments have taken place during 2005.

(c) NSDL has been providing details of off market transactions above a specific threshold to SEBI on a monthly basis. The monthly report containing the raw data above a threshold level is passed on to Stock Exchanges for their use in their investigations. As part of this monthly reporting, NSDL provided such details to SEBI in August, 2005.

(d) and (e) SBI has referred the matter to CBI for appropriate action. RBI and SEBI have taken a number of penal and systemic measures to prevent recurrence of the irregularity. They are continuing their investigation and would take measures as may be warranted.

Education Cess

1521. SHRI JAI PARKASH AGGARWAL:
SHRI YASHWANT SINHA:

Will the Minister of FINANCE be pleased to state:

(a) the total amount collected as Education Cess since it was levied;

(b) whether the amount so collected has been used for the purpose envisaged;

(c) if not, the reasons therefor; and

(d) the remedial measures taken to ensure that the amount collected as education cess is spent within that financial year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) Education Cess had been levied in the Budget 2004-05. So far as direct and indirect taxes are concerned, the details of Education Cess collected by the Government during the year 2004-05 (Provisional) are as under:

	(Rs. in crores)
Customs	777
Central Excise	1551
Service Tax	187
Corporation Tax	1167.05
Income Tax	637.46

(b) to (d) Following the imposition of the Education Cess @ 2% on all major Central Taxes through the Finance (No. 2) Act, 2004, Prarambhik